



ARIZONA CORPORATION COMMISSION

FOR IMMEDIATE RELEASE: December 16, 2008

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Commission Approves Utilities' 2009 Renewable Energy Plans

PHOENIX, AZ—The Arizona Corporation Commission (ACC) today approved the 2009 Renewable Energy Standard and Tariff (REST) Implementation plans for Arizona Public Service (APS), Tucson Electric Power (TEP), UNS Electric, and Arizona Electric Power Cooperative (AEPCO).

In 2006, the Commission ruled that regulated electric utilities must generate 15 percent of their energy from renewable resources by 2025. Each year leading up to that goal, the utility companies are required to file annual implementation plans describing how they will comply with the REST rules and funding requirements to do so. For 2009, utilities must reach a goal of 2 percent of their energy generation coming from renewable resources. The proposals include incentives for customers who install solar and other renewable energy technologies for their own homes and businesses.

Arizona Public Service (APS): Passed by a vote of 3-2, with Chairman Gleason and Commissioner Pierce dissenting—will increase the company's 2009 RES adjustor to \$0.007937 per KWh, resulting in a total cost of \$78.4 million. For a residential customer using 1175 KWh, this means a monthly bill increase of approximately \$1.80. The monthly cap for residential customers is set at \$3.17.

Tucson Electric Power (TEP): Passed by a vote of 3-2, with Chairman Gleason and Commissioner Pierce dissenting. The Commission approved its staff recommended plan, with a cost of \$29.7 million. The plan continues to use the \$3.00 per Watt Solar rebate adopted in its 2008 plan and increases the surcharge to \$.008 per kWh, which, for the average residential customer, translates to a monthly surcharge of \$4.29, with a monthly cap of \$4.50

UNS Electric, Inc.: Passed by a vote of 3-2, with Chairman Gleason and Commissioner Pierce dissenting. The Commission also approved its staff recommendation, with a cost of \$5 million. This plan also maintains the \$3.00 per Watt Solar rebate approved last year, and increases the surcharge to \$.006 per kWh and the monthly caps for residential customers to \$4.00 for residential customers, with the average monthly bill at \$3.57.

Arizona Electric Power Cooperative (AEPCO): Passed by a vote of 5-0. The Commission approved the staff recommendation, with a total cost of \$1,626,836. The SunWatts Green Energy Purchase Program will be continued, which includes incentives for solar water heating and other renewable technologies.

An additional incentive to help consumers afford to install renewable technology is the Investment Tax Credit (ITC) approved by Congress earlier this year. The ITC will give more consumers the opportunity to adopt the technology by providing a tax credit of up to 30% of the cost of the system. 2009 is the first year that residential consumers can take advantage of this program.

Comments from Commissioners:

“These plans will help us solarize thousands of homes in Arizona,” said Commissioner Kris Mayes. “Today the Commission continued Arizona’s effort to transform the way electricity is produced in Arizona—from fossil fuels to renewable energy.”

“Arizona wins! With this decision every Arizonan moved closer to the day when electric energy will be both cleaner and more affordable,” said Commissioner Jeff Hatch-Miller. “It’s a long road but worth the trip.”

“These REST plans are *very* unkind to ratepayers, and the amendments we passed make these programs even more expensive,” said Chairman Mike Gleason.

“These REST plans will strengthen our long-held policy of promoting renewable energy at affordable prices,” said Commissioner Bill Mundell. “As the costs and our dependence on fossil fuels from hostile parts of the world continue to rise, it is imperative that we utilize renewable energy to the fullest extent possible.”

“Today’s decisions are examples of governmental efficiency at its worst,” said Commissioner Gary Pierce. “By refusing to listen to those responsible for implementing our REST Rules, including the Solar Alliance, the Commission has inexplicably raised the costs of going green. For the same amount of money, our utilities could obtain more than three times the amount of renewable energy. The Commission is not spending ratepayer money wisely. I look forward to working with a new Commission to greatly increase the amount of renewable energy we obtain per ratepayer dollar.”

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